Judge: Hon. Marc L. Barreca
Chapter: Chapter 7
Hearing Date: October 7, 2011
Hearing Time: 9:30 a.m.
Hearing Site: 700 Stewart St., #7106
Seattle, WA 98101
Response Date: October 5, 2011

UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM GROSSMAN, Debtor.	Case No. 10-19817 DECLARATION OF DENICE MOEWES IN SUPPORT OF TRUSTEE'S RESPONSE TO MOTION FOR ORDER DECLARING PROPERTY NO ABANDONED FROM THE BANKRUPTCY ESTATE

DENICE MOEWES declares under penalty of perjury of the laws of the State of Washington as follows:

I am over the age of 18 and am competent to make this declaration.

I am an attorney with the law firm of Wood & Jones, P.S. We represent Ronald Brown, the Chapter 7 Trustee in the above-captioned case.

Attached hereto as Exhibit "1" is a true and correct copy of the Decree of Dissolution entered by King County Superior Court in case number 09-3-02955-9 SEA.

Attached hereto as Exhibit "2" is a true and correct copy of the Findings and Order on Contempt Review Hearing/Order Enforcing Parenting Plan and Garnishment that was entered in King County Superior Court in case number 09-3-02955-9 SEA on September 1, 2011.

Attached hereto as Exhibit "3" is the Agreement of Sale dated December 16, 2010 and the Amendment to Agreement of Sale of December 16, 2010 dated December 17,

Wood & Jones, P.S.
303 N. 67th Street
Seattle WA 98103
(206) 623-4382

2010 between the debtor and Keywest Financial, LLC, and the Limited Liability Operating Agreement for Terrington Davies Capital Management, LLC. 04619 dated February 1, 2011.

Attached hereto as Exhibit "4" is a true and correct copy of a draft complaint I intend to file in this case in the next 24 hours.

Signed and dated this 5th day of September, 2011 at Seattle, Washington.

/s/ Denice E. Moewes
Denice E. Moewes,

Wood & Jones, P.S.
303 N. 67th Street
Seattle WA 98103
(206) 623-4382

EXHIBIT “1”

IN THE SUPERIOR COURT OF WASHINGTON
IN AND FOR KING COUNTY

In re the Marriage of: JILL IRINA BORODIN, Petitioner, and ADAM REED GROSSMAN, Respondent.	NO. 09-3-02955-9 SEA **DECREE OF DISSOLUTION (Marriage)** **[X] CLERK'S ACTION REQUIRED** **[X] LAW ENFORCEMENT NOTIFICATION, ¶ 3.10 BELOW**

I. JUDGMENT/ORDER SUMMARIES

1.1 RESTRAINING ORDER SUMMARY.

Restraining Order Summary is set forth below:

Name of person(s) restrained:	ADAM R. GROSSMAN
Name of person(s) protected:	JILL I. BORODIN
See paragraph 3.10	

Violation of a Restraining Order in Paragraph 3.10 Below With Actual Knowledge of its Terms is a Criminal Offense Under Chapter 26.50 RCW and Will Subject the Violator to Arrest. RCW 26.09.050.

ORIGINAL

1.2 REAL PROPERTY JUDGMENT SUMMARY.

Real Property Judgment Summary is set forth below:

Assessor's property tax parcel number: 020850-0100-8 (Washington home)

1.3 MONEY JUDGMENT SUMMARY.

A.	Judgment Creditor	Jill I. Borodin
B.	Judgment Debtor	Adam Reed Grossman
C.	Principal Judgment Amount (Property Settlement)	~~$56,405~~ TBD
D.	Interest to date of Judgment	N/A
E.	Attorney's Fees	
F.	Costs	N/A
G.	Other Recovery Amount:	
H.	Principal judgment shall bear interest at 12% per annum.	
I.	Attorney's fees, costs and other recovery amounts shall bear interest at 12% per annum.	
J.	Attorney for Judgment Creditor	Karma L. Zaike
K.	Attorney for Judgment Debtor	Emily J. Tsai

END OF SUMMARIES

II. BASIS

Findings of Fact and Conclusions of Law have been entered in this case.

III. DECREE

IT IS ***DECREED*** that:

3.1 STATUS OF THE MARRIAGE.

The marriage of the parties is hereby dissolved. Further references to the "Wife" shall be synonymous with the Petitioner, JILL I. BORODIN. Further references to the "Husband" shall be synonymous with the Respondent, ADAM R. GROSSMAN.

3.2 REAL PROPERTY.

3.2.1 6821 39th Avenue NE, Seattle, Washington. The court finds that this property is community property. This property was purchased by the parties during their marriage. The court acknowledges that the husband signed a Quit Claim deed to the home in June, 2005. **Exhibit 55.** However, first and second mortgages on the home (Exhibits 29 and 30 respectively) were arranged by the husband, held only in the Wife's name, and the loan proceeds of $101,617 were taken from the equity of the home and transferred to husband's businesses. (Exhibits 3, pg. 30, 349, 351, Tab F). The only testimony as to the value of the home was presented by the Wife to be $480,000. There was no dispute that there were two mortgages which totaled over $600,000 leaving negative equity of $120,000, which is a community debt.

This property is awarded to the Wife as her sole and separate property, free and clear of any interest in the Husband. The Wife shall henceforth assume and pay all taxes, utilities, insurance, mortgage and other obligations on said property and hold the Husband harmless and indemnify him from any liability thereon.

3.2.2 868 Montcrest Drive, Redding, CA. **Exhibit 351, Tab E, p. 31** The court finds that this property was purchased with community funds and is community property. This property is awarded to the wife.

The husband shall immediately sign all documents necessary to effectuate a prompt transfer of this property to the wife. If the Husband refuses to cooperate with immediate transfer of the property to the Wife, then attorney Krystina Larch or Margaret Doyle Fitzpatrick are appointed pursuant to CR 70 as a Commissioner in Fact to sign any necessary documents in the husband's stead.

The husband shall have the affirmative duty to disclose all aspects of ownership of the property to the wife and he shall further cooperate in signing any documents necessary to transfer the home to the Wife. The husband shall report the sale on his tax return and he shall bear any tax consequences of the sale.

3.2.3 20710 Glennview Drive, Cottonwood, CA. The court finds that this property was purchased during the marriage and is community property. This property is awarded to the husband.

3.2.4 1679 Strauss Lane, Redding, Ca. The court finds that this property, which was purchased by husband in 1989 before marriage, is the husband's separate property. The Husband shall assume and pay all taxes, utilities, insurance, mortgage and other obligations on said property. Because the husband has a HELOC in both his and wife's name, Husband shall immediately refinance this property to remove the wife's name from the mortgage.

3.2.3 773 Metro Way, Redding, Ca. Ths home was inherited by Mr. Grossman during the marriage and the court finds that this is his separate property. The home shall be awarded to the husband free and clear of any interest in the wife. The Husband shall henceforth assume and pay all taxes, utilities, insurance, mortgage and other obligations on said property and hold the Wife harmless and indemnify her from any liability thereon. If there are undisclosed liens on the 868 Montcrest property or the 20710 Glennview property that the husband fails to immediately remove, then this property may be sold to satisfy the liens.

3.3 EMPLOYMENT BENEFITS.

Each party shall retain as his or her sole and separate property, free and clear of any interest in the other, all those rights and benefits which have been derived as the result of his or her past or present employment, union affiliations, military service, United States or other citizenship and/or residence within a state including, but not limited to:

> Various forms of insurance, right to social security payments, welfare payments, unemployment compensation payments, disability payments, Medicare and Medicaid payments, retirement benefits, sick leave benefits, educational benefits and grants, interests in health or welfare plans, interests in profit-sharing plans, and all other legislated, contractual and/or donated benefits, whether vested or non-vested and whether directly or indirectly derived through the activity of that specific party; provided, however, that said benefit or benefits have not been otherwise divided below. Each party is specifically awarded his or her own retirement and 401(k)/403(b) benefits.

3.4 PROPERTY TO BE AWARDED TO THE HUSBAND.

The Husband is awarded as his separate property, as shown in exhibit A attached KG GA, free and clear of any right, title or claim of the Wife, the following property, and the Wife hereby quit claims and conveys all of said property to the Husband. This Decree, when executed, shall serve as a document of conveyance from the Wife to the Husband of the following property:

3.4.1 All furniture, furnishings, clothing, personal items and personal property of any description presently in his possession.

3.4.2 All bank accounts, savings accounts and credit union accounts in his name only.

3.4.3 All life insurance policies insuring his life, for which the Wife is hereby divested of any interest as beneficiary.

3.4.4 The following automobile: 2005 Chevrolet Malibu. The Husband shall become solely obligated for all payments due or which may become due for the use, operation, maintenance and financing thereof, and shall hold the Wife harmless thereon.

3.4.5 Any property acquired by the Husband prior to marriage or subsequent to the date of the parties' separation unless otherwise specifically awarded to the Wife herein.

3.4.6 All right, title and interest in and to the business known as Terrington Davies LLC, Terrington Davies Capital Management LLC, Terrington Davies Tanager Fund LP and Ptarmigan Fund and all assets thereto, including but not limited to bank accounts, accounts receivables, work in progress. The Husband shall hold the Wife harmless and indemnify her from any debts associated with these businesses.

3.5 PROPERTY TO BE AWARDED TO THE WIFE.

The Wife is awarded as her separate property as shown in exhibit A attached, free and clear of any right, title or claim of the Husband, the following property, and the Husband hereby quit claims and conveys all of said property to the Wife. This Decree, when executed, shall serve as a document of conveyance from the Husband to the Wife of the following property:

3.5.1 All furniture, furnishings, clothing, personal items and personal property of any description presently in her possession.

3.5.2 All bank accounts, savings accounts and credit union accounts in her name only.

3.5.3 All life insurance policies insuring her life, for which the Husband is hereby divested of any interest as beneficiary.

3.5.4 The Fidelity account -7955 with an approximate balance of $236 (Ex 302). The husband shall cooperate in signing any documents needed to permanently close this account.

3.5.5 The following automobile: 2001 Toyota. The Wife shall become solely obligated for all payments due or which may become due for the use, operation, maintenance and financing thereof, and shall hold the Husband harmless thereon.

3.5.6 The Wife's 403(b) retirement account.

3.5.7 Any property acquired by the Wife prior to marriage or subsequent to the date of the parties' separation.

3.5.8 The Fidelity Roth IRA -8269 and Fidelity -1338 held in the wife's name.

~~3.5.9 Cash property settlement of $56,405 to equalize the property division payable by the husband to the wife. The Wife shall have a judgment against the Husband for this amount.~~

3.6 LIABILITIES TO BE PAID BY THE HUSBAND.

Unless otherwise provided herein, the Husband shall pay all liabilities incurred by him since the date of separation, which was April 15, 2009.

The Husband shall pay the following community or separate liabilities:

3.6.1 Any and all debt associated with Terrington Davies LLC, Terrington Davies Capital Management LLC, Terrington Davies Tanager Fund LP and Ptarmigan Fund whether said debt was incurred under the business names or the husband's name personally.

3.6.2 The Citibank Student Loan account -1125-70 (Ex 3(b), p. 16, Ex 297.

3.6.3 The following debts:

- Amazon.com Chase account -7314 (Exhibit 286)
- Slate Chase acct -6457 (Ex 287)
- AAA Chase acct – 3915 (Ex 288-89)
- Discover acct -0579 (Ex 290-92)
- Citicard -4425 (Ex 293)

- MIT Worldpoints Bank of America -7336 (Ex 294)

3.6.4 All debts in his name only.

If for any reason the Wife must pay on or has collection taken against her on debts payable by the Husband, the Wife may seek a judgment against the Husband for any amounts she has paid, plus reasonable attorney's fees and court costs. Said judgment may be obtained under this cause number by proof from affidavit on the Family Law Motions Calendar unless the Judge/Commissioner determines to set the matter for testimonial hearing.

If said debts are not so maintained, the Wife shall request the specific sums necessary for maintaining said debts from the Husband and he shall pay these amounts to her as a part of the Court's order for support. The Wife shall in turn make said debt payments. If this fails, the Wife may apply to this Court for judgment against the Husband for these amounts, which judgment may then be enforced by the Wife for the repayment of community debts. Because this paragraph is in lieu of maintenance, these debts may not be discharged in bankruptcy.

The assumption of indebtedness by the Husband above is necessary for the maintenance and support of the Wife and shall be considered a duty directly related to her support; provided, however, that payment of said debts shall not be considered deductible as alimony for income tax purposes by the Husband, nor includable as income by the Wife. The Husband's assumption of indebtedness, however, shall not be dischargeable in bankruptcy so as to allow a third-party creditor to claim against the Wife. Furthermore, the remarriage or death of either party shall not affect or terminate the Husband's obligation to pay these debts.

3.7 LIABILITIES TO BE PAID BY THE WIFE.

Unless otherwise provided herein, the Wife shall pay all liabilities incurred by her since the date of separation, which was April 15, 2009.

The Wife shall pay the following community or separate liabilities:

3.7.1 American express account in wife's name.

3.7.2 Alaska Airlines Visa -7563 and -5286.

3.7.3 U.S. Airways MC.

3.7.4 Citibank mortgages -4673 and -7606.

3.7.5 The SallieMae student loan account -3578-9.

3.8 HOLD HARMLESS PROVISION.

Each party shall hold the other party harmless from any collection action relating to separate or community liabilities set forth above, including reasonable attorney's fees and costs incurred in defending against any attempts to collect an obligation of the other party.

3.9 MAINTENANCE.

Neither party shall pay maintenance to the other.

3.10 CONTINUING RESTRAINING ORDER

A continuing restraining order is entered as follows:

[x] The [x] husband [ ] wife is restrained and enjoined from disturbing the peace of the other party.

[x] The [x] husband [ ] wife is restrained and enjoined from going onto the grounds of or entering the home, work place or school of the other party, or the day care or school of the following named children: Alexandra or Naomi Grossman except as set forth in the Parenting Plan under this cause #.

[x] The [x] husband [ ] wife is restrained and enjoined from knowingly coming within or knowingly remaining within (distance) 500 feet of the home, work place or school of the other party, or the day care or school of these children: Alexandra or Naomi Grossman except as set forth in the Parenting Plan under this cause #.

[x] Adam Grossman is restrained and enjoined from molesting, assaulting, harassing, or stalking Jill Borodin . (The following firearm restrictions apply if this box is checked: Effective immediately and continuing as long as this continuing restraining order is in effect, the restrained person may not possess a firearm or ammunition. 18 U.S.C. § 922(g)(8). A violation of this federal firearms law carries a maximum possible penalty of 10 years in prison and a $250,000 fine. An exception exists for law enforcement officers and military personnel when carrying department/government-issue firearms. 18 U.S.C. § 925(a)(1).)

Violation of a Restraining Order in Paragraph 3.8 With Actual Knowledge of its Terms Is a Criminal Offense Under Chapter 26.50 RCW and Will Subject the Violator to Arrest. RCW 26.09.060.

[x] **Clerk's Action**. The clerk of the court shall forward a copy of this order, on or before the next judicial day, to: Seattle Police Department law enforcement agency which shall enter this order into any computer-based criminal intelligence system available in this state used by law enforcement agencies to list outstanding warrants. **(A law enforcement information sheet must be completed by the party or the party's attorney and provided with this order before this order will be entered into the law enforcement computer system.**)

Service

[x] The restrained party or attorney appeared in court or signed this order; service of this order is not required.

[ ] The restrained party or attorney did not appear in court; service of this order is required.

The protected party must arrange for service of this order on the restrained party. File the original Return of Service with the clerk and provide a copy to the law enforcement agency listed above.

Expiration

This restraining order expires on: (month/day/year) December 14, 2020.

This restraining order supersedes all previous temporary restraining orders in this cause number.

[x] Any temporary restraining order signed by the court in this cause number is terminated. ***Clerk's Action***. The clerk of the court shall forward a copy of this order, on or before the next judicial day, to: Seattle Police Department law enforcement agency where ***Petitioner*** resides which shall enter this order into any computer-based criminal intelligence system available in this state used by law enforcement agencies to list outstanding warrants.

Full Faith and Credit

Pursuant to 18 U.S.C. § 2265, a court in any of the 50 states, the District of Columbia, Puerto Rico, any United States territory, and any tribal land within the United States shall accord full faith and credit to the order.

3.11 PROTECTION ORDER.

Does not apply.

3.12 JURISDICTION OVER THE CHILDREN.

The Court has jurisdiction over the children as set forth in the Findings of Fact and Conclusions of Law.

3.13 PARENTING PLAN.

The parties shall comply with the Permanent Parenting Plan signed by the Court on this date. The Parenting Plan signed by the Court is approved and incorporated as part of this Decree.

3.14 CHILD SUPPORT.

Child support shall be paid in accordance with the Order of Child Support signed by the Court on this date. This Order is incorporated as part of this Decree.

3.15 ATTORNEY'S FEES, OTHER PROFESSIONAL FEES AND COSTS.

Attorney's fees shall be awarded to the Wife based on the husband's intransigence in this matter in failing to provide discovery concerning his businesses. The Wife's financial expert, Steven Kessler, testified that he was unable to render an opinion of value of the Husband's businesses because the Husband refused to provide the requested documentation. Counsel for the Wife shall submit an attorney fee declaration within 10 days of the date of this order and the court shall determine the reasonable fee award

3.16 NAME CHANGES.

Does not apply.

3.17 OTHER. [illegible]

3.17.1 Undisclosed Debts. Any debt or obligation, not specifically awarded herein, incurred by either party, shall be the sole and separate obligation of the party who incurred it and who failed to disclose it in this Decree. If an undisclosed debt was incurred by the parties jointly, then the parties shall remain jointly liable.

3.17.2 Undisclosed Assets. There are no known assets (i.e., bank accounts, retirement accounts, investment accounts, etc.) which have not been divided by the parties prior to the date of this Decree or by this Decree. Any assets owned by the parties on the date of this Decree which either party has failed to disclose shall be divided 50/50 by the court upon motion by either party.

3.17.3 Revocation of Wills, Powers of Attorney and Other Instruments. All previous wills, powers of attorney, contracts and community property agreements between the parties hereto are hereby revoked and the parties are prohibited from exercising same.

3.17.4 Federal Income Tax. The parties shall file separately for the year 2010. The Wife shall claim the interest deduction for all house payments made on the Seattle house during tax year 2010. In the event that any prior income tax returns of the parties should be audited for any year during the marriage, any additional tax found to be due (including penalties and interest) shall be paid equally 50/50 by the parties, and any refund due shall be divided 50/50.

3.17.5 Warranty Against Liens. Each party warrants to the other that there are no undisclosed liens, encumbrances, or defects of title attached to or affecting any of the property awarded to the other party herein. Should any encumbrances, liens or clouds of title created or incurred prior to the date of recording this Decree exist but not be disclosed herein, the party incurring the encumbrance, lien or clouds of title shall be responsible and shall pay all costs (including attorney's fees) for removing the lien, encumbrance or cloud of title from the property. Should the encumbrance, lien or cloud of title have been acquired or incurred jointly, each party shall pay for one-half of the encumbrance, lien or cloud of title and one-half of the attorney's fees and costs incurred in removing the encumbrance, lien or cloud of title from the property.

3.17.6 Performance of Necessary Acts. Each party shall execute any and all deeds, bills of sale, endorsements, forms, conveyances or other documents, and perform any act which may be required or necessary to carry out and effectuate any and all of the purposes and provisions herein set forth. Upon the failure of either party to execute and deliver any such deed, bill of sale, endorsement, form, conveyance or other document to the other party, the Decree shall constitute and operate as such properly executed document. The County Auditor and any and all other public and private officials are authorized and directed to accept the Decree or a properly certified copy thereof in lieu of the document regularly required for the conveyance or transfer.

3.17.7 **Protective order for wife's confidential health care records**. Testimony revealed that the husband had obtained confidential health care records belonging to the Wife associated with marital therapy. Mr. Grossman is ordered to immediately turn over all copies in his possession to Rabbi Borodin's attorney any documents in his possession or over which he has control related to marital counseling or any other medical or mental health record. Mr. Grossman shall destroy and confirm in a sworn statement to Rabbi Borodin that he has destroyed all electronic versions of any health care records. The making of additional copies shall be prohibited, in any format or means, including digitization, scanning, Xeroxing, photographing, etc., except as stated above.

DATED: 12/14/10

JUDGE MARIANE SPEARMAN

Petitioner or Petitioner's Attorney:
A signature below is actual notice of this order.
[X] Presented by:

MICHAEL W. BUGNI & ASSOC., PLLC

KARMA L. ZAIKE, WSBA#31037
Attorney for Petitioner/Wife
Date: 12/14/2010

JILL L. BORODIN,
Petitioner/Wife
Date: Dec 14, 2010

Respondent or Respondent's Attorney:
A signature below is actual notice of this order.
[X] Approved for Entry:
[X] Notice for presentation waived:

I have not read this.

EMILY J. TSAI, WSBA #21180
Attorney for Respondent/Husband
Date: 12/14/10

ADAM R. GROSSMAN,
Respondent/Husband
Date: 14 Dec 2010

09-3-62955-9   DOS 4-15-09

	ASSETS & DEBTS	Exhibit #	Gross Value	Liens & Encumbrances	NET VALUE	TO WIFE		TO HUSBAND	
						COMM	SEPARATE	COMM	SEPARATE
1	6821 39th Ave NE, Seattle	3b	480,000	600,629	-120,629	-120,629			
2	868 Montcrest, Redding, CA	3	227,500		227,500	227,500			
3	20710 Glenview Dr, Cottonwd, CA	3	264,500		264,500			264,500	
4	1679 Strauss Lane, Redding, CA		x		x				x
5	773 Metro Street, Redding, CA		x		x				x
6	Wife's retirement fund	69	152,581		152,581	124,846	27,735		
7	Citibank student loan	3b	-69,201		-69,201			-69,201	
8	Sallie Mae student loan	3b	-66,253		-66,253	-66,253			
9	Amazon.com Chase #7314	286	-5,114		-5,114			-5,114	
10	Slate Chase #6457	287	-5,243		-5,243			-5,243	
11	AAA Chase #3915	289	-24,807		-24,807			-24,807	
12	Discover #0579	270	-7,205		-7,205			-7,205	
13	Citicard #4425	293	-1,832		-1,832			-1,832	
14	MIT BOA #7336	294	-36,552		-36,552				-36,552
15	Costco AmEx	31	-124		-124	-124			
16	AA Visa #7563	31	-9,985		-9,985	-9,985			
17	AA Visa #5286	31	-3,281		-3,281	-3,281			
18	US Air MC #7694	31	-873		-873	-873			
19					0				
20					0				
21					0				
22					0				
23					0				
24					0				
25					0				
26					0				
27					0				
28					0				
29					0				
30					0				
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32					0				
33					0				

34					0				
35					0				
36					0				
37					0				
38					0				
39					0				
40					0				
41					0				
42					0				
43					0				
44					0				
45					0				
46					0				
47					0				
48					0				
49					0				
50					0				
TOTALS - ALL COLUMNS			894,111	600,629	293,482	151,201	27,735	151,098	-36,552
TOTALS - COMMUNITY ONLY					302,299	151,201		151,098	
					MARITAL LIEN >	-52		52	
Wife's percentage (entered by user)	50.0%				Each party's total dollars	151,150		151,150	
Husband's percentage (automatic)	50.0%				Each party's percentage	50%		50%	

Reimbursements owed *outside the division of community property*:

Husband owes wife:			
Husband owes wife:			
Husband owes wife:			
Wife owes husband:			
Wife owes husband:			
Wife owes husband:			
FINAL TRANSFER PAYMENT = MARITAL LIEN + SUM OF REIMBURSEMENTS >	-52		52

EXHIBIT “2”

IN THE SUPERIOR COURT OF WASHINGTON
IN AND FOR KING COUNTY

In re: JILL IRINA BORODIN, Petitioner, and ADAM REED GROSSMAN, Respondent .	**NO. 09-3-02955-9 SEA** **FINDINGS AND ORDER ON CONTEMPT REVIEW HEARING /** **Order Enforcing Parenting Plan and Garnishment** ***Clerk's Action Required***

I. JUDGMENT SUMMARY

A.	Judgment Creditor:	JILL I. BORODIN
B.	Judgment Debtor:	ADAM R. GROSSMAN
C.	Principal Judgment Amount:	
E.	Attorney's Fees:	$13,371
F.	Costs:	$317.41
G.	Other Recovery Amount: (sanctions)	
I.	Attorney's fees, costs and other recovery amounts Shall bear interest at 12% per annum.	
J.	Attorney for Judgment Creditor:	Karma L. Zaike
K.	Attorney for Judgment Debtor:	G. Geoffrey Gibbs

II. BASIS FOR FINDINGS

1.1 These findings are based on a hearing held on September 7th, 2011.

1.2 The following people attended: Ms. Borodin, Mr. Grossman, Ms. Zaike, Mr. Gibbs, Ms. Emily Jarvis, and Mr. Mark Adams.

III. FINDINGS OF FACT

Upon the basis of the court record, the court FINDS:

2.1 Child Support Arrears. On February 9, Mr. Grossman was held in contempt for intentional failure to pay child support timely. A review hearing was scheduled for May 23.

2.2 At the May 23 review hearing, the court ordered Petitioner to obtain a Debt Calculation from the Division of Child Support. On 6/2/2011, DCS provided a Debt Calculation which reflected that Mr. Grossman's "running balance" of child support arrears was $7,649.61.

2.3 Additionally, Mr. Grossman provided a Case Payment History from DCS for the May 23 hearing. Said Case Payment History documents that Mr. Grossman has continually paid his child support late, even after he was held in contempt on February 9.

2.4 The condition for the Father to purge contempt was that he bring himself "current in his child support obligations as required in the Order of Child Support [by February 23, 2011]...and remaining current in the future."

2.5 The Case Payment History and Debt Calculation from DCS dated 6/2/2011 show that although Mr. Grossman made a lump sum payment on February 18, he failed to pay child support in a timely manner for March, April, May and June of 2011. Therefore, the Father has not met the purge conditions for contempt. Additionally, as of June 2, 2011, there remains support owing of $7,649.61.

2.6 On February 9, 2011, Mr. Grossman was held in contempt of court for failure to pay child support.

2.7 In the eight months following the contempt finding, Mr. Grossman has paid child support late six times.

2.8 Failure to enroll in domestic violence perpetrator's treatment. At a February 9 hearing, the Court accepted the Father's testimony that he had made efforts to enroll in domestic violence treatment with Dr. Roland Maiuro as an affirmative defense to contempt. Dr. Maiuro was not accepting clients. Commissioner Jeske then directed Mr. Grossman to enroll in one of the two other treatment programs set forth in Judge Spearman's parenting plan order. Mr. Grossman has presented a letter from one of the treatment providers, Doug Bartholomew that states simply, "Due to the nature of our last telephone call I don't believe it would be possible for us to work together productively and I am requesting that you go elsewhere for you [sic] treatment". No further explanation was provided. The third court ordered option was Wellspring Family Services. Based upon Wellsprings' policy which is purportedly derived from WAC 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, Wellspring declined to take Mr. Grossman on as a client because he was actively engaged in court action disputing or appealing the DV finding and was not in compliance with court orders. As a result, Mr. Grossman has not enrolled in any of the three DV treatment programs ordered by Judge Spearman.

2.9 Mr. Grossman did enroll in a program that was not approved or ordered by Judge Spearman that being the Options program in Lynnwood, WA.

2.10 Mr. Adams testified that Mr. Grossman will not be admitted to the Wellspring program absent compliance with court orders. As set forth below, Mr. Grossman has intentionally and willfully refused to comply with the court's orders.

2.11 Strauss Lane. The Decree of Dissolution required that the Respondent pay and remain current on the mortgages for the Strauss Lane home. On February 9, 2011, the court ordered the Father to make a "good faith effort" to move toward refinancing the Strauss Lane Property. A review hearing was ordered at which the Father was required to "demonstrate all efforts he has made to comply with the refinance requirement including producing documentary proof he has sought to refinance..." In eight months, Mr. Grossman has failed to provide any documentary proof or testimony that he has made efforts to comply with this provision.

2.12 Mr. Grossman filed a motion in bankruptcy court in the spring of 2011 requesting that his bankruptcy be converted to a Chapter 13 proceeding. In support of his motion, Mr. Grossman testified as follows:

- "…through my management and my recently acquired employment…from which I earn a gross monthly salary of $7,000…[1]

- "Luckily, my income is such that I can afford to pay my unsecured creditors a 100% dividend."[2]

2.13 Based on Mr. Grossman's testimony in bankruptcy court, he has substantial ability to maintain the Strauss Lane mortgage. He has provided no testimony as to why he has failed to maintain this debt.

2.14 868 Montcrest. This property was unequivocally awarded to the Petitioner/Wife in the 12/14/2010 decree of dissolution. The title was held by 868 Montcrest Family Trust. Respondent/Grossman's assertion that he was awarded this property as part of Terrington Davies or Ptarmigan Fund is without merit.

2.15 Subsequent to the Decree, Mr. Grossman teamed up with Irene Miller and Keywest Financial. Mr. Grossman transferred assets to Keywest without receiving consideration and without paying off any debts associated with property transferred to Keywest. According to the bankruptcy trustee, this transfer was a violation of bankruptcy law.

2.16 Because 868 Montcrest held title in the 868 Montcrest Family Trust, Irene Miller and Keywest Financial could not have known about this property except from information held exclusively from Mr. Grossman.

2.17 Documents show that although Irene Miller signed transfer documents as managing partner of Terrington Davies, Mr. Grossman continued to manage all financial accounts in the name of Terrington Davies through Charles Schwab. Mr. Grossman transferred approximately $160,000 from Schwab to Ptarmigan on January 18, 2011. Mr. Grossman has never provided any tracing of funds received from the sale of 868 Montcrest. Public records, including the Deed of Trust show that the property realized at least $215,000.

2.18 Mr. Grossman's post-decree transfer of the Montcrest property has rendered him permanently incapable of complying with Judge Spearman's order that the Moncrest property be transferred to Ms. Borodin. Accordingly, Mr. Grossman's own willful act has made him perpetually ineligible to enter the Wellsprings program. Therefore, even though temporary disqualification based upon Mr. Grossman's exercise of his right to appeal might be a dubious legal basis for finding him in contempt for failure to enroll, Mr. Grossman's willful engagement in conduct that effectively precludes him from ever entering the ordered treatment program is sufficient for a finding of contempt.

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[1] Declaration of Adam Grossman, dated 5/18/2011, US Bankruptcy Court Cause No. 10-19817.

[2] *Id.* at page 5, lines 12-13.

2.19 Furthermore, it is clear from the record presented that Mr. Grossman has repeatedly engaged in activities designed to obfuscate the character of the property before the court and complicate the ultimate distribution of assets. It is notable that even Mr. Grossman's own attorney could not state who held title to the Montcrest property. Mr. Grossman should be held accountable for the costs of his gamesmanship and, therefore, Ms. Borodin is awarded attorney fees in the amount of $13,371 and costs of $317.41.

2.20

IV. ORDER

THIS MATTER having come on before the undersigned Judge of the above captioned Court on the Petitioner/Mother's motion for contempt and the Court having read and heard the Respondent's response and the Court having had the opportunity to review the files and records of the case, and considering itself advised in the premises, NOW, THEREFORE, IT IS HEREBY

ORDERED, ADJUDGED AND DECREED that Mr. Grossman did not purge contempt. Mr. Grossman continues to have a substantial unpaid judgment for past due child support. He has failed to bring himself into compliance with his support obligations as required; AND IT IS FURTHER

ORDERED, ADJUDGED AND DECREED that the Father has failed to enroll in domestic violence perpetrator's treatment with one of the three ordered treatment providers. The Court finds that Mr. Grossman intentionally sold the 868 Montcrest property which was awarded to the Wife in the Decree. Mr. Grossman has stated in several post-decree declarations that he was awarded 868 Montcrest which is contrary to the clear language in the Decree. Mr. Grossman intentionally and willfully violated the order by facilitating in and participating in the sale of Montcrest. The sale of the Montcrest property has rendered Mr. Grossman permanently unable to satisfy the terms of Judge Spearman's order and, therefore, perpetually barred from enrolling in the Wellsprings treatment program.

Mr. Grossman received multiple warnings that if he failed to bring himself into compliance with the court's orders, he would be subject to incarceration as a coercive measure to force compliance.

Therefore, in light of the fact that the Montcrest property has been sold and is no longer available for transfer to Ms. Borodin as ordered by Judge Spearman, Mr. Grossman must:

1. Transfer all proceeds from the sale of the Montcrest property ($215,000) to Ms. Borodin by September 15th, 2011 in lieu of transfer of the property itself;
2. Bring the current mortgage on the Strauss Lane property current by October 8, 2011; and
3. Be current in his child support obligation by October 15th, 2011.

Failure to comply with any of these requirements in full on the time table set forth above will result in incarceration.

A review hearing is set on October 20th, 2011 at 8:30am in W-813 for Mr. Grossman to provide proof of compliance. Failure to provide the requisite proof will result in incarceration. Upon proof of full compliance, the Court will determine how to best address the issue of domestic violence treatment.

AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Petitioner/Mother is awarded attorney's fees of $13,371, costs of $317.41 and sanctions of $500 for the Father's bad faith and ongoing intransigence;

AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the motion to order Mr. Grossman to sign the travel authorization form was rendered moot by virtue of the fact that Mr. Grossman voluntarily signed the document in open court.

AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Ms. Borodin's motion for garnishment of funds in Mr. Gibbs IOLTA trust account is denied without prejudice in light of the other significant relief granted herein.

Dated: Sept. 7, 2011

Jeffrey M. Ramsdell
JUDGE JEFFREY M. RAMSDELL

EXHIBIT "3"

Agreement of Sale

This is an agreement of sale between Adam R. Grossman and Keywest Financial, LLC.

It is agreed that Adam R. Grossman hereby sells, conveys, and transfers to Keywest all right, title, and interest in the following properties which are his sole and separate property:

1. 2005 Chevrolet Malibu; and,
2. Terrington Davies LLC and all assets thereto; and,
3. Terrington Davies Capital Management LLC and all assets thereto; and,
4. Terrington Davies Tanager Fund LP and all assets thereto; and,
5. Ptarmigan Fund LLC and all assets thereto; and,
6. 100% beneficial interest in 1679 Strauss Lane Family Trust; and,
7. 100% beneficial interest in 773 Metro Way Family Trust; and,
8. 100% beneficial interest in 20710 Glennview Drive Family Trust

and it is agreed that Keywest Financial, LLC shall buy the all right, title, and interest of the above listed properties effective January 1, 2010 for an aggregate price of $400,000 to be paid in sixteen (16) equal quarterly installments of $25,000 starting July 1, 2011.

Mr. Grossman agrees to assist on a part-time consulting basis Keywest Financial, LLC during a transition process of up to 90 days or longer by mutual agreement and agrees to execute any documents necessary to complete all aspects of this sale.

By: Jason White	By: [signature]
Print: Jason White	Print: Adam R Grossman
Title: Managing Member, Keywest Fin LLC	Title: —
Date: 12-16-2010	Date: 12/14/2010

Keywest Financial, LLC
11950 Jones Bridge Road
115-105
Alpharetta, GA 30005

Adam R. Grossman
5766 27th Ave NE
Seattle WA 98105

EX. 7

From December 14, 2010, Divorce Decree:

3.4 PROPERTY TO BE AWARDED TO THE HUSBAND.

The Husband is awarded as his separate property, free and clear of any right, title or claim of the Wife, the following property, and the Wife hereby quit claims and conveys all of said property to the Husband. This Decree, when executed, shall serve as a document of conveyance from the Wife to the Husband of the following property:

3.4.4 The following automobile: 2005 Chevrolet Malibu. The Husband shall become solely obligated for all payments due or which may become due for the use, operation, maintenance and financing thereof, and shall hold the Wife harmless thereon.

3.4.6 All right, title and interest in and to the business known as Terrington Davies LLC, Terrington Davies Capital Management LLC, Terrington Davies Tanager Fund LP and Ptarmigan Fund and all assets thereto, including but not limited to bank accounts, accounts receivables, work in progress. The Husband shall hold the Wife harmless and indemnify her from any debts associated with these businesses.

3.2.4 1679 Strauss Lane, Redding, Ca. The court finds that this property, which was purchased by husband in 1989 before marriage, is the husband's separate property. The Husband shall assume and pay all taxes, utilities, insurance, mortgage and other obligations on said property. Because the husband has a HELOC in both his and wife's name, Husband shall immediately refinance this property to remove the wife's name from the mortgage.

3.2.3 773 Metro Way, Redding, Ca. Ths home was inherited by Mr. Grossman during the marriage and the court finds that this is his separate property. The home shall be awarded to the husband free and clear of any interest in the wife. The Husband shall henceforth assume and pay all taxes, utilities, insurance, mortgage and other obligations on said property and hold the Wife harmless and indemnify her from any liability thereon. If there are undisclosed liens on the 868 Montcrest property or the 20710 Glennview property that the husband fails to immediately remove, then this property may be sold to satisfy the liens.

3.2.3 20710 Glennview Drive, Cottonwood, CA. The court finds that this property was purchased during the marriage and is community property. This property is awarded to the husband.

Amendment to Agreement of Sale of December 16, 2010

1. The text "on a part-time consulting basis" shall be replaced with the text "without compensation"; and
2. The text "during a transition process of up to 90 days or longer by mutual agreement" shall be replaced by the text "for a period of 60 days for the purpose of completing a smooth transition"; and
3. The text "and hereby through this agreement does buy" shall be inserted after the text "shall buy"; and
4. The text "a Georgia Limited Liability Company" shall be inserted after the first occurrence of "Keywest Financial, LLC"; and
5. The text "a Deleware Limited Liability Company" shall be inserted after the first occurrence of "Terrington Davies LLC";
6. The text "a Deleware Limited Liability Company" shall be inserted after the first occurrence of "Terrington Davies Capital Management LLC"; and
7. The text "a Deleware Partnership" shall be inserted after the first occurrence of "Terrington Davies Tanager Fund LP"; and
8. The text "a Deleware Limited Liability Company" shall be inserted after the first occurrence of "Ptarmigan Fund LLC"; and
9. The text "transfers to Keywest" shall be replaced with "transfers to Keywest Financial, LLC"; and
10. The text "properties" shall be replaced with "properties and assets"; and
11. The text "Mr. Grossman warrants and represents that he is the sole owner of the above properties and assets" shall be added below the last paragraph; and
12. The text "and all assets thereto" shall be replaced with "and all assets owned by said entity"; and
13. The text "2005 Chevrolet Malibu" shall be replaced with the text "2005 Black Chevrolet 4-door Malibu having VIN 1G1ZS52F55F247868"; and
14. The text "Changes described in this amendment shall be retroactive, to the extent permitted by law, to the date of execution of the Agreement of Sale" shall be added below the last paragraph.
15. The text "Keywest Financial agrees to hypothecate the property at 1679 Strauss Lane, Redding, CA and perform any acts necessary for Mr. Grossman to remove his ex-wife's name from the HELOC, refinance, or perform any other action Mr. Grossman is court ordered to perform pursuant to this property."

In the event any language conflicts between the original Agreement of Sale and this Amendment to Agreement of Sale of December 16, 2010, the language in the latter shall supercede and control.

By: Jason Wright mgn. mem.
Date: 12-17-2010

By: A. R. Grossman
Date: 12-17-2010

Keywest Financial, LLC
11950 Jones Bridge Road
115-105
Alpharetta, GA 30005

Adam R. Grossman
5766 27th Ave NE
Seattle WA 98105

# LIMITED LIABILITY COMPANY OPERATING AGREEMENT
for
TERRINGTON DAVIES CAPITAL MANAGEMENT LLC

This Limited Liability Company Operating Agreement (hereinafter referred to as the "Agreement") amends and replaces all previous agreements and is effective June 5, 2009.

PREAMBLE

A. Whereas, the parties to this Agreement desire to form a limited liability company for the purpose hereinafter set forth; and

B. Whereas, by entering into this Agreement the parties desire to provide for (i) the purpose for which the Company is formed; (ii) the division of the Company's net profits and net losses; (iii) the restrictions on the disposition of Company property and Company interests; (iv) the management of the Company's business, (v) the duration of the Company's existence; and (vi) various other matters relating to the Company.

NOW, THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree to form a limited liability company under the laws of the State of Delaware in accordance with the following terms and conditions:

ARTICLE I. FORMATION AND PURPOSE

1.1 Governing Law and Government Filings. The Company shall be formed in accordance with and shall be governed by the laws of the state of Delaware except to the extent that the Act permits variation by agreement of the parties and this Agreement provides for such variations.

1.2 Name. The name of the Company shall be Terrington Davies Capital Management LLC.

1.3 Purpose of the Company. The purpose and business of the Company shall be to engage in any lawful business activity agreed to by the Members and to conduct such other activities as may be necessary or appropriate to promote the business of the Company. The Company may exercise all the powers and privileges either granted or limited under the Act.

1.4 Registered Office; Registered Agent. The name of the registered agent for service of process on the Company in the State of Delaware is 4001 Kennett Pike Ste 134-699, Greenville, DE 19807.

1.5 Principal Place of Business. The Company's principal place of business shall be located at 4001 Kennett Pike Ste 134-699, Greenville, DE 19807 or at such other place as the Members may select from time to time.

ARTICLE II.

agreements or understandings among the parties hereto with respect thereto. No representation, condition or understanding not expressed herein shall be binding upon the parties, unless subsequent to the date hereto and signed by all of the parties hereto. This Agreement may not be amended or modified except by a written instrument signed by a majority in interest of the Members.

11.7 Waiver of Breach. The waiver by any party hereto of a breach of any provision of this Agreement by another party hereto must be in writing and shall not operate or be construed as a waiver of any subsequent breach by such other party.

11.8 Authorship. No questions of interpretation or construction concerning this Agreement shall be construed or interpreted for or against any party based on the consideration of authorship.

11.9 Time of the Essence. Time is of the essence of this Agreement.

11.10 Gender. When used in this Agreement, singular terms include the plural as appropriate in the context, and masculine terms include the feminine and neuter genders as appropriate in the context.

11.11 Agreement in Counterparts. This Agreement may be executed in several counterparts and, as executed, shall constitute one Agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Agreement on the date hereinabove.

MEMBER(S):

Adam R. Grossman
June 5, 2009

resigned

Jonathan Bornstein
June 5, 2009

Irene Miller
Dec 17, 2010

EXHIBIT “4”

Judge Marc L. Barreca
Chapter 7

UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM GROSSMAN, Debtor.	Bankruptcy No. 10-19817
RONALD G. BROWN, solely in his capacity as Chapter 7 Trustee of the estate of Adam Grossman, Plaintiff, v. KEYWEST FINANCIAL, LLC, A Georgia Corporation, and IRENE MILLER and JOHN DOE MILLER, husband and wife, and the marital community composed thereof, and 868 MONTCREST DRIVE FAMILY TRUST, and 20710 GLENVIEW DRIVE FAMILY TRUST, and PTARMIGAN REAL ESTATE FUND, LLC, and TERRINGTON DAVIES CAPITAL MANAGEMENT, LLC Defendants.	Adversary No. _________ COMPLAINT TO 1) AVOID AND RECOVER UNAUTHORIZED POST-PETITION TRANSFERS; 2) AVOID AND RECOVER FRAUDULENT TRANSFERS; 3) TO COMPEL TURNOVER OF PROPERTY OF THE ESTATE; 4) FOR CONVERSION; 5) FOR ACCOUNTING; AND 6) FOR EQUITABLE SUBORDINATION

Wood & Jones, P.S.
303 N. 67th Street
Seattle WA 98103
(206) 623-4382

I. INTRODUCTION

RONALD G. BROWN, solely in his capacity as Chapter 7 Trustee of the bankruptcy estate of Adam Grossman, by and through his attorneys, Wood & Jones, P.S., seeks to avoid the transfer of all or the majority of the assets of the Debtor on the basis that the transfers constitute unauthorized post-petition transfers, fraudulent transfers, conversion, to compel turnover of property of the estate; for an accounting and for subordination of any claims of the Defendants.

II. JURISDICTION AND VENUE

2.1 This is an action to recover estate property by avoiding unauthorized post-petition transfers, fraudulent transfers, conversion, to compel turnover of property of the estate, for an accounting and to equitably subordinate the claims of all Defendants and thus is a "core proceeding" pursuant to 28 U.S.C. §157(b)(2)(B), (C), (E), (H), and (O).

2.2 This Court has jurisdiction to hear this complaint pursuant to 28 U.S.C. §157(a) and (b), 1334(a) and (b), and 11 U.S.C. §§105, 510, 542, 543, 544, 548, 549, 550 and 551.

2.3 This matter has been referred to the Bankruptcy Judges of the District pursuant to General Rule 7 of the Rules for the United States District Court for the Western District of Washington.

2.4 Venue is proper under 28 U.S.C. §1409.

III. PARTIES

3.2 Debtor. Adam Grossman ("Grossman" or "Debtor") filed this current bankruptcy proceeding as a voluntary chapter 11 bankruptcy petition on August 19, 2010 ("Current Bankruptcy Petition Date"). The Current Bankruptcy was converted to a Chapter 7 pursuant to court order dated March 11, 2011 ("Conversion Date").

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3.3 Trustee. Ronald G. Brown was appointed as the Chapter 11 Trustee pursuant to Court Order dated December 22, 2010. Ronald Brown ("Brown" or "Trustee") was appointed as the Chapter 7 Trustee pursuant to Court order dated March 11, 2011. The Trustee is authorized to bring this action pursuant to §§105, 510, 542, 543, 544, 548, 549, 550 and 551 of the Bankruptcy Code and does so solely in his capacity as Trustee for the Grossman estate.

3.4 Defendant Keywest Financial, LLC.. Upon information and belief Keywest Financial, LLC ("Keywest") is a Georgia corporation.

3.5 Defendants Irene Miller and John Doe Miller. Upon information and belief Irene Miller and John Doe Miller are husband and wife and are residents of the State of California. Any act done by one was done for the benefit of the marital community.

3.6 Defendant 868 Montcrest Drive Family Trust. Upon information and belief the Trustee alleges that 868 Montcrest Drive Family Trust was set up by the Debtor for the sole purpose of holding title to the 868 Montcrest Drive Family Trust.

3.7 Defendant 20710 Glenview Drive Family Trust. Upon information and belief the Trustee alleges that the 20710 Glenview Drive Family Trust was set up by the debtor, post-petition, for the purpose of holding title to the 20710 Glenview Drive, Redding, California Property.

3.8 Defendant Ptarmigan Real Estate Fund, LLC. Upon information and belief the Trustee alleges that Ptarmigan Real Estate Fund, LLC is a Delaware Corporation which was solely owned by the Debtor as of the Current Bankruptcy Petition Date.

3.9 Defendant Terrington Davies Capital Management, LLC. Upon information and belief the Trustee alleges that Terrington Davies Capital Management, LLC was set up by and solely owned by the Debtor as of the Current Bankruptcy Petition Date.

IV. STATEMENT OF FACTS

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4..1 The debtor filed a voluntary chapter 11 bankruptcy petition on June 25, 2010 which was assigned case number 10-17334. The debtor did not file schedules and accordingly the case was dismissed on July 22, 2010 (docket #24).

4.2 The debtor filed a voluntary chapter 11 bankruptcy petition on July 27, 2010 which was assigned case number 10-18671. The debtor did not meet the minimal filing requirements and this case too was dismissed, on August 10, 2010 (docket #24).

4.3 The debtor filed this current bankruptcy proceeding as a voluntary chapter 11 bankruptcy petition on August 19, 2010 ("Current Bankruptcy"). Because of the two prior dismissed bankruptcy cases the automatic stay is not in effect in relation to this case.

4.4 The debtor was at all times during 2010 engaged in a very contentious divorce with his ex-wife which was pending in King County Superior Court under case number 09-3-02955-9. The Petition for Dissolution was filed by the wife on April 15, 2009.

4.5 The filing of the Current Bankruptcy did not stay the divorce action as it had in the previous two cases because the automatic stay was no longer in place. An Order confirming no stay was in place was entered on November 12, 2010, prior to the commencement of the dissolution trial.

4.6 A trial was held on or about November 15, 2010 in the King County divorce proceeding. The Decree of Dissolution was entered on December 14, 2010.

4.7 The debtor historically has been actively involved in the asset management industry. It is the debtor's common practice to use a two-entity structure to manage the assets under his control. The two entity structure consisting of one legal entity which exists merely to hold client assets (the "Fund") and a second legal entity which manages the client assets in the fund (the "Advisor"). The Fund pays fees to the Advisor based on the size and performance of the Fund.

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4.8 The debtor formed the Terrington Davies Tanager Fund LP ("Tanager Fund") as a limited partnership in 2006 with his friend Jeffrey Bernstein who is an attorney. The General Partner of the Tanager Fund is Terrington Davies, LLC.

4.9 Upon information and belief the Trustee alleges that Terrington Davies, LLC was incorporated in 2006 and is owned 2/3rds by the debtor and 1/3 by Jeffrey Bernstein. The debtor and Mr. Bernstein received disbursements from Terrington Davies whenever there were retained earnings available for distribution.

4.10 The Tanager fund was capitalized when 250,000 units were sold for $1 per unit in June of 2006. The debtor and his then wife, Jill Borodin, provided $220,000 of the initial $250,000 investment, thereby acquiring 220,000 units.

4.11 The value of the units has varied over time based on the performance of the Tanager Fund. That units have had a value as high as $1.88 per unit and a low of .93 cents per unit.

4.12 The limited partners of the Tanager Fund had the unconditional right to redeem all or part of their capital investment at any time.

4.13 The Tanager Fund held client assets, solely in the form of securities within one single Schwab One Brokerage account held in the name of Terrington Davies Tanager Fund LP.

4.14 Anytime a disbursement was made or a unit redeemed from Tanager Fund the money was transferred to Terrington Davies bank account and then the disbursement checks were cut from the Terrington Davies bank account.

4.15 Terrington Davies was given a monthly fee for its services as manager/advisor of the Tanager Fund.

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4.16 Upon information and belief the Trustee alleges that shortly after the Petition for Dissolution was filed the debtor began to liquidate the assets of the Tanager Fund and pull cash out of said fund.

4.17 In May 2009, the debtor attempted to incorporate Ptarmigan Real Estate Fund ("Ptarmigan Fund") in the state of Delaware. At or about the same time he also set up Terrington Davies Capital Management LLC ("TDCM") for the purpose of serving as the Advisor to the Ptarmigan Fund.

4.18 It is unclear whether Ptarmigan was ever incorporated and whether it is nothing more than the shell of a business that the debtor wanted to start, but which was never truly formalized.

4.19 In June of 2009 the debtor redeemed $175,000.00 of community units from the Tanager Fund. The $175,000 was deposited into the Ptarmigan Fund checking account. The debtor then immediately had Ptarmigan cut a check to TDCM in the amount of $175,000.00 which was then deposited into the TDCM checking account. The debtor then wrote a check to Tanager and repurchased the units he has just sold, but in the name of TDCM.

4.20 Essentially, the transfer referred to in the preceding paragraph was nothing more than the debtor laundering the Tanager Fund units out of the joint names of the debtor and his wife and repurchasing them in the name of TDCM which is a corporation controlled solely by the debtor.

4.21 During the first quarter of 2010 the debtor redeemed some of the Tananger Fund units held in the name of Ptarmigan for a price of approximately $230,000.00. Those funds were then transferred to Placer Title Company (which is also an escrow company) to purchase real property located at 868 Montcrest Drive in Redding California ("Montcrest Property").

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4.22 In 2010 and early 2011 the debtor withdrew all cash available to him from the Tanager Fund and ceased to use that entity.

4.23 In 2010 the debtor set up a trust known as the Montcrest Family Trust. Ptarmigan is the beneficiary to the trust. The trust has no assets other than the Montcrest property.

Trial in the divorce proceeding was conducted in November, 2010. The Decree of Dissolution was entered on December 14, 2010.

Transfer of Glenview Property and interest in TDCM to Irene Miller

4.24 On September 24, 2010, while this Current Bankruptcy was pending, the debtor entered into a Residential Lease or Month-to-Month Rental Agreement with Irene Miller in relation to real property located at 20710 Glenview Drive, Cottonwood, CA ("Glenview Property").

4.25 While the document caption indicates this was a lease, in fact it was an option to purchase.

4.26 Irene Miller paid $20,000.00 to the debtor on or about September 24, 2010 as an option payment and down payment for the Glenview Property. This payment was not disclosed in the dissolution proceeding.

4.27 On or about December 17, 2010 Irene Miller became a member of TDCM. No consideration was paid to the debtor for Irene Miller's acquisition of the TDCM membership interest.

4.28 Upon information and belief the Trustee alleges that at some point in time the Glenview Property was transferred to a trust set up by or at the request of the debtor known as the 20710 Glenview Drive Family Trust.

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4.29 Upon information and belief the Trustee alleges that TDCM was the beneficiary of 20710 Glenview Drive Family Trust and Irene Miller was the Trustee of the 20710 Glenview Drive Family Trust.

4.30 On June 25, 2011 Irene Miller, as the Trustee of the 20710 Glenview Drive Family Trust, executed a Grant Deed transferring the Glenview Property to Keywest Financial, LLC.

4.31 No consideration was paid by Keywest Financial, LLC in exchange for the transfer of the Glenview property.

4.32 While Irene Miller signed the document, the transfer of the Glenview Property was done at the direction of and for the benefit of the debtor.

4.33 There was no court order entered authorizing the debtor to enter into any agreement with Irene Miller, authorizing the transfer of the Glenview Property out of the debtor's name and into the name of a trust, nor any order entered authorizing the transfer of the Glenview Property to Keywest Financial, LLC.

Divorce Decree

4.34 The Debtor was awarded the following property, as his separate property, in the Decree of Dissolution:

A. 2005 Chevy Malibu;

B. Business known as Terrington Davies, LLC;

C. Business known as Terrington Davies Capital Management, LLC;

D. Terrington Davies Tanager Fund LP;

E. Ptarmigan Fund

F. 1679 Strauss Lane, Redding, California;

G. 773 Metro Way, Redding, California;

H. 20710 Glennview Drive, Cottonwood, California

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4.35 In the same Decree, the Montcrest Property was awarded to the wife.

Transfers to KeyWest Financial, LLC.

4.36 On or about December 16, 2010 the debtor and Keywest Financial LLC ("Keywest") entered into an Agreement of Sale pursuant to which the debtor transferred all of the properties referenced in the preceding paragraph above to Keywest for a price of $400,000.00 that was to be paid in 16 quarterly installments of $25,000.00 starting July 1, 2011.

4.37 On December 17, 2010 an Amendment to Agreement of Sale dated December 16, 2010 was entered into by the Debtor and Keywest. Pursuant to that agreement several terms were changed but there was no change to the purchase price.

4.38 It is unclear how the debtor could agree to sell the Glenview Property to Keywest Financial, LLC when he had already granted Irene Miller an option to purchase the Glenview Property.

4.39 To date no payments have been received from Keywest Financial, LLC.

4.40 No motion was filed in the Current Bankruptcy to approve the sale of the assets of the debtor and no plan of reorganization was filed. To date there has never been an ordered entered approving said sale or transfer of any assets to Keywest Financial, LLC..

4.41 The debtor was aware of the fact that he could not sell assets of the estate as he and William Courshon had a discussion about this during his first section 341 meeting conducted on September 28, 2010 (docket #35).

4.42 Also on December 17, 20109 the debtor took the TDCM Operating Agreement and notated on the last page that Jeffrey Bernstein was no longer a member and the new member was now Irene Miller.

4.43 Irene paid no consideration for her interest in TDCM.

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4.44 On September 24, 2010 Irene Miller signed a Residential Lease or Month-to-Month Rental Agreement pursuant to which she paid the debtor $20,000.00 in exchange for an option to purchase the real property located at 20710 Glenview Drive, Cottonwood, California.

4.45 The option agreement was never disclosed to the Court and no Court order was entered authorizing this transfer.

4.46 Substantial transfers have been made by the debtor to or for the benefit of Keywest Financial, LLC.

4.47 Additional transfers may have been made to or for the benefit to the defendants.

V. FIRST CAUSE OF ACTION - AVOIDANCE OF UNAUTHORIZED POST-PETITION TRANSFERS PURSUANT TO SECTION 549 OF THE BANKRUPTCY CODE

5.1 Paragraphs I through IV and all subsections thereof are hereby repeated and incorporated as though full.

5.2 After the Petition Date the Defendants received unauthorized transfers of property of the estate as set forth in paragraph IV above.

5.3 The transfers of the property set forth in paragraph IV above were not authorized by the Bankruptcy Code or by Court order and were made in violation of the Court order prohibiting transfers..

VI. SECOND CAUSE OF ACTION FRAUDULENT TRANSFERS §548 OF THE CODE AS TO DEFENDANTS

6.1 Paragraphs I through V and all subsections thereof are hereby repeated and incorporated as though set forth herein.

6.2 Within one year of filing the bankruptcy petition herein, and while the Debtor was insolvent, the Debtor made those transfers set forth in paragraph IV above to or for the benefit of Defendants.

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6.3 The Debtor did not receive reasonably equivalent value for the transfers set forth in paragraph IV above which were made to or for the benefit of Defendants.

6.4 The Debtor was insolvent on the date of the transfers referenced in paragraph IV above. Alternatively, the Debtor became insolvent as a result such transfers to Defendants.

6.5 The Debtor made the transfers referred to in paragraph IV above to Defendants with actual intent to hinder, delay and defraud creditors to whom the Debtor was indebted on or after the date of the transfers.

6.6 The transfers to Defendants set forth in paragraph IV are avoidable pursuant to 11 U.S.C. §548 as stated therein as they were a) made with actual intent to hinder, delay or defraud creditors to whom the Debtor was indebted on or after the date of the transfers; or b) the Debtor received less than reasonable equivalent value in exchange for the transfers, became insolvent or was insolvent at the time of the transfers, leaving the Debtor with an unreasonably low capital account or leaving the Debtor unable to pay its debts as they matured.

6.7 The transfers made to Defendants as set forth in paragraph IV above are avoidable by the Trustee under 11 U.S.C. §548(a)(1) and/or (a)(2).

VII. THIRD CAUSE OF ACTION – FRAUDULENT CONVEYANCES 11 U.S.C. § 544 AND RCW 19.40. TO DEFENDANTS

7.1 Paragraphs I through VI and all subsections thereof are hereby repeated and incorporated as though fully set forth herein.

7.2 The Debtor made the transfers set forth in paragraph IV above which are avoidable pursuant to RCW 19.40.010 et. seq. as stated therein.

7.3 The transfers by the Debtor to Defendants as set forth in paragraph IV above were made with actual intent to hinder, delay or defraud creditors of the Debtor.

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7.4 The transfers by the Debtor to Defendants as set forth in paragraph IV were made without the Debtor receiving reasonably equivalent value in exchange for the transfers.

7.5 The transfers by the Debtor to Defendants as set forth in paragraph IV above caused the Debtor to engage or thereafter engage in business for which the remaining assets of the Debtor were unreasonably small in relation to the business or transactions.

7.6 The transfers by the Debtor to Defendants should have caused the Debtor to believe that he would incur debts beyond his ability to pay as they became due.

7.7 The transfers by the Debtor to Defendants as set forth in paragraph IV above were not made in exchange for reasonably equivalent value.

7.8 The Debtor was insolvent on the date of each and every transfer set forth in paragraph IV above. Alternatively, the Debtor became insolvent as a result of the transfers.

VIII. FIFTH CAUSE OF ACTION – TURNOVER OF PROPERTY OF THE ESTATE 11 U.S.C. § 542

8.1 Paragraphs I through VII and all subsections thereof are hereby repeated and incorporated as though fully set forth herein.

8.2 The Defendants are in possession, custody or control of property that the trustee may use, including but not limited to the debtor's accounts receivable and other assets belonging to the debtor that the Trustee could use and perhaps sell to pay the obligations of this debtor.

IX. SIXTH CAUSE OF ACTION: ACCOUNTING

9.1 Paragraphs I through VIII and all subsections thereof are hereby repeated and incorporated as though fully set forth herein.

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9.2 The Plaintiff is entitled to an accounting to determine what, if any funds belong to the debtor have been diverted for the use and benefit of Defendants and what expenses the debtor paid that were to or for the benefit of the Defendants.

X. SEVENTH CAUSE OF ACTION - EQUITABLE SUBORDINATION OF CLAIMS

10.1 The Trustee realleges and incorporates by this reference the allegations set forth in paragraphs I through IX.

10.2 All claims of any nature, either pre or post-petition by all Defendants, against the Debtor should be subordinated to the legitimate debts owed to general unsecured creditors pursuant to 11 USC §510(c) and general equitable principals.

XI. EIGHTH CAUSE OF ACTION: CONVERSION

11.1 The Trustee realleges and incorporates by this reference the allegations set forth in paragraphs I through X above.

11.2 The Defendants converted to their own use assets of the Bankruptcy estate, all of which belonged to the Grossman estate.

11.3 The Defendants actions were without lawful justification, willfully interfered with the property interest of the estate and have deprived the estate of possession of its property interests.

11.4 As a result of all Defendants actions the estate has suffered damages in an amount to be proven at trial.

XII. NINTH CAUSE OF ACTION: PRESERVATION OF AVOIDED TRANSFERS

12.1 Paragraphs I through XI above and all subsections thereof are hereby repeated and incorporated as though fully set forth herein.

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12.2 Any and all transfers avoided under the claims for relief set forth in Paragraphs I-XI, above, are preserved for the benefit of the estate pursuant to 11 U.S.C. §§ 550 and 551.

XIII. PRAYER FOR RELIEF

13.1 The Trustee asks for the following relief:

13.2 That the Court determine the transfers by the Debtor to defendants as set forth in Paragraph IV, above, constitute unauthorized post-petition transfers pursuant to 11 U.S.C. §§549 and 550.

13.3 That the Court determine the transfers by the Debtor to defendants as set forth in Paragraph IV, above, constitute fraudulent conveyances pursuant to section 548 of the Bankruptcy Code.

13.4 That the Court determine that all property of the debtor in the possession of the defendants must be turned over to the trustee pursuant to section 542 and 543 of the Bankruptcy Code.

13.5 That the Court require the Defendants to produce records and account for all funds received by them or for their benefit.

13.6 That the Court determine that any and all claims of all defendants should be equitably subordinated below those of general unsecured creditors.

13.7 That the Court determine all Defendants converted assets of the debtor and are liable to the Trustee for the amount of the assets converted.

13.8 That all transfers avoided be preserved for the benefit of the estate pursuant to §§550 & 551.

16.5 That the Court enter an order consistent with this Complaint and a judgment in an amount to be determined against the Defendants in favor of the Chapter

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7 Trustee, Ronald G. Brown, plus interest from the date of the transfers, and such other relief as this Court deems just and proper.

Dated this 5th day of October, 2011.

WOOD & JONES, P.S.

/s/ Denice E. Moewes
Denice E. Moewes, WSB #19464
Attorney for Chapter 7 Trustee
Ronald G. Brown

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